

Speak to us for further information if you think you would like to apply for an IVA.

www.caew.org.uk
tel 0808 812 7087

Citizens Advice Elmbridge (West) is an independent advice agency. Our advice is free, impartial and confidential.

We are authorised by the Financial Conduct Authority (FRN 617782) for debt advice.

Individual voluntary arrangements (IVAs)

A formal agreement to pay towards your debts.



An individual voluntary arrangement (IVA) is a formal and legally binding agreement between you and your creditors to pay back your debts over a period of time - usually 5 or 6 years. At the end of this period any remaining debt will be written off.

While you're in an IVA you must:

- ✓ Make the agreed payments
- ✓ Tell your IVA provider if your income increases or you get any other money
- ✓ Not take out any new credit without permission - for example, loans
- ✓ You can include any amount of debt in your IVA. However, an IVA might not be suitable to deal with lower amounts of debt because of the costs.

An IVA might be a suitable option for you if:

- ⚠ You are not eligible for a DRO
- ⊗ Bankruptcy is not a suitable option for you
- 💰 You have surplus income, but not enough to clear your debts in 6 years
- ⚙️ You have income that isn't solely from state benefits



Things to consider:

- 👤 Your IVA must be set up by an Insolvency Practitioner (IP), who charges fees
- 💰 The minimum cost of an IVA is about £3,500 but you don't usually pay this up front
- 🏛️ If the IVA fails, you will still need to payback your debts. You might still be liable to pay the IP fees and the IP could ask the court to make you bankrupt
- 📄 You still have to pay excluded debts such as fines, student loans and child maintenance
- 👤 The other person named on any joint debts will still be liable to pay the full amount
- 📉 If your circumstances get worse during the IVA you might not be able to keep up with payments
- ⚙️ If your circumstances get better during the IVA, you will need to pay more into it
- 📄 Your name and address will appear on the individual insolvency register (a public record)
- 📄 Your credit rating will be affected for 6 years